



## An invitation to sign the Principles for Responsible Investment

There is a growing view among investment professionals that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios, but that these issues are not yet being adequately incorporated into investment decision-making and ownership practices.

To address this issue, in early 2005 the United Nations Secretary-General invited a group of the world's largest institutional investors to join a process to develop the Principles for Responsible Investment (the Principles). Individuals representing 20 investment organisations from 12 countries agreed to participate in the Investor Group. The Group accepted ownership of the Principles, and had the freedom to develop them as they saw fit.

To assist this process, a multi-stakeholder group of 60 experts was formed to support the Investor Group in the development and future implementation of the Principles. This group included international representatives from the investment industry, non-governmental organisations, academia, research institutions, policy makers and government.

A set of Principles emerged as the result of four meetings:

<b>Date</b>	<b>Group</b>	<b>Location</b>	<b>Purpose</b>
5-6 April 2005	Expert Group	Paris	Initial brainstorm
29-30 June 2005	Investor Group	New York	Draft the Principles
15-16 September 2005	Expert Group	Toronto	Feedback on the draft
6-7 October 2005	Investor Group	London	Finalise the Principles

The text is now final and we invite investors to become signatories to them. Their official launch is planned for April 2006.

The Principles are designed primarily for end-asset owners. However, asset managers and professional service providers can also sign up to the Principles in their respective capacities. They are designed to be applied across the entire investment function of an organisation, not just particular product lines.

It should be noted that the Principles are firmly grounded within the bounds of fiduciary duty. They are voluntary and aspirational, and provide a menu of possible actions for investors to use as appropriate to manage ESG-related risks and opportunities. They also acknowledge that the consideration of a broader range of issues within investment processes will better align investment practices with the broader interests of society.



Following launch, Phase 2 of the process will promote adoption of the Principles by additional investors, provide comprehensive resources to assist investors in implementing the Principles and actions, and facilitate collaboration among signatories.

The process of developing the Principles has been coordinated by the UN Environment Programme (UNEP) and the UN Global Compact. We strongly encourage you to support the Principles for Responsible Investment.

If you have any questions or would like to indicate your support, please contact us at [investment@unepfi.org](mailto:investment@unepfi.org).

With best regards,

A handwritten signature in blue ink, reading "Paul Clements-Hunt".

Paul Clements-Hunt  
Head of Unit  
UNEP Finance Initiative

A handwritten signature in blue ink, reading "Gavin Power".

Gavin Power  
Senior Adviser  
UN Global Compact